

**BICKNELL TOWN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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# *Kimball & Roberts*

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*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

Honorable Mayor and Town Board  
Bicknell Town  
Bicknell, Utah 84715

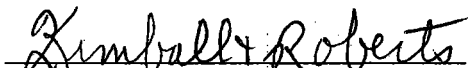
We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bicknell Town as of and for the year ended June 30, 2006, which collectively comprise Bicknell Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Bicknell Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis and budgetary comparison information on pages 3 through 12 and 39 through 41, are not a required part of the basic financial statements but are supplementary information required by the Governmental accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

October 5, 2006  
Richfield, Utah

**TOWN OF BICKNELL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2006**

This discussion of Bicknell Town's financial performance provides an overview of the Town's financial activities for the year ending June 30, 2006. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, highways and streets, culture and recreation.

**Financial Highlights**

- \* The assets of the Town exceeded its liabilities as of the close of the most recent year by \$1,163,958 (net assets). Of this amount, \$335,461 (unrestricted net assets) which may be used to meet its ongoing obligations to citizens and creditors.
- \* The government's total net assets increased by \$45,232. The revenues were more than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the general fund.
- \* At the close of the current year, the Town's governmental fund reported ending fund balance of \$173,104, an increase of \$15,896 in comparison with the prior year. Approximately 54 percent of this total amount, \$94,104 is available for spending at the government's discretion (unreserved fund balance).
- \* At the end of the current year, unreserved fund balance for the general fund was \$94,104, or 42 percent of total general fund expenditures.
- \* The Town's total debt decreased by \$17,043 during the current year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The governmental activities of the Town include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the Town are culinary and irrigation water operations.

Refer to the table of contents for the location of the government-wide financial statements.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and enterprise funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Bicknell Town maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund,

The Town adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Proprietary Funds**

Bicknell Town maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the culinary and irrigation water operations.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

## **Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bicknell Town's, assets exceeded liabilities by \$1,163,958 at the close of the most recent fiscal year. By far the largest portion of the Town's net assets (63 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens, consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$335,461) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

## Bicknell Town's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	173,104	157,208	241,357	228,498	414,461	385,706
Capital Assets	444,082	438,159	429,551	436,040	873,633	874,199
Total Assets	617,186	595,367	670,908	664,538	1,288,094	1,259,905
Long-Term Liabilities	75,793	83,793	30,993	57,386	106,786	141,179
Other Liabilities	-	-	13,350	-	13,350	-
Total Liabilities	75,793	83,793	44,343	57,386	120,136	141,179
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	364,289	354,366	372,008	378,654	736,297	733,020
Restricted	79,000	73,000	13,200	13,200	92,200	86,200
Unrestricted	94,104	84,208	241,357	215,298	335,461	299,506
Total Net Assets	537,393	511,574	626,565	607,152	1,163,958	1,118,726

## Governmental Activities

Governmental activities increased Bicknell Town's net assets by \$25,819.

## Bicknell Town's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for Services	8,237	8,678	62,209	44,576	70,446	53,254
Operating Grants	30,556	26,286	-	-	30,556	26,286
Capital Grants	129,100	-	-	26,500	129,100	26,500
General Revenues:						
Property Taxes	3,631	3,398	-	-	3,631	3,398
Other Taxes	67,175	59,884	-	-	67,175	59,884
Unrestricted Investment Earnings	2,382	3,033	3,290	4,548	5,672	7,581
Total Revenues	<u>241,081</u>	<u>101,279</u>	<u>65,499</u>	<u>75,624</u>	<u>306,580</u>	<u>176,903</u>
Expenses:						
General Government	38,220	38,470	-	-	38,220	38,470
Public Safety	3,646	3,455	-	-	3,646	3,455
Highways and Streets	159,045	69,174	-	-	159,045	69,174
Culture and Recreation	12,257	9,319	-	-	12,257	9,319
Interest on Long-Term Debt	2,094	2,195	2,365	2,912	4,459	5,107
Culinary and Irrigation Water	-	-	43,721	44,289	43,721	44,289
Total Expenses	<u>215,262</u>	<u>122,613</u>	<u>46,086</u>	<u>47,201</u>	<u>261,348</u>	<u>169,814</u>
(Decrease) in Net Assets Before Transfers	25,819	(21,334)	19,413	28,423	45,232	7,089
Transfers	-	-	-	-	-	-
Increase in Net Assets	25,819	(21,334)	19,413	28,423	45,232	7,089
Net Assets - Beginning	<u>511,574</u>	<u>532,908</u>	<u>607,152</u>	<u>578,729</u>	<u>1,118,726</u>	<u>1,111,637</u>
Net Assets - Ending	<u>537,393</u>	<u>511,574</u>	<u>626,565</u>	<u>607,152</u>	<u>1,163,958</u>	<u>1,118,726</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

### Business-Type Activities

Business-type activities increased the Town's net assets by \$19,413.

\* The depreciation in the enterprise funds remained the same.

### Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **Governmental Funds**

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the Town's governmental fund (general fund) reported ending fund balance of \$173,104 an increase of \$15,896 in comparison with the prior year. Approximately 54 percent of this amount (\$94,104) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to highways and streets for \$79,000.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 42 percent of total general fund expenditures, while total fund balance represents 77 percent of that same amount.

## **Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the culinary and irrigation water fund at the end of the year was \$241,357. Other factors concerning the finances of these funds has already been addressed in the discussion of the Town's business-type activities.

## **General Fund Budgetary Highlights**

The difference between the beginning and the final budget was \$950. The adjustments within the budget was:

- \* General government increased \$730.
- \* Fire Department increased \$85
- \* Park and Recreation increased \$135
- \* Capital Outlay decreased \$950

Actual revenues were more than budgeted revenues by \$1,981 and actual expenditures were less than budgeted expenditures by \$13,915 resulting in a net increase in fund balance of \$15,896

## **Capital Asset and Debt Administration**

### **Capital Assets**

Bicknell Town's investment in capital assets for its governmental activities as of June 30, 2006, was \$444,082 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads.

The total increase in the Town's investment in capital assets for the current year was \$43,000. Major capital asset events during the current year included the following:

- \* Playground Equipment for \$43,000



**Bicknell Town's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	44,530	44,530	-	-	44,530	44,530
Water Shares	-	-	3,400	3,400	3,400	3,400
Infrastructure	186,375	213,000	-	-	186,375	213,000
Buildings	154,012	159,039	33,554	34,754	187,566	193,793
Improvements Other than Buildings	49,350	9,000	379,397	397,886	428,747	406,886
Equipment	9,815	12,590	-	-	9,815	12,590
<b>Total</b>	<b>444,082</b>	<b>438,159</b>	<b>416,351</b>	<b>436,040</b>	<b>860,433</b>	<b>874,199</b>

Additional information on the Town's capital assets can be found in the notes to the financial statements.

**Long -Term Debt**

At the end of the current year, the Town had total bonded debt outstanding of \$120,936. The bonds are secured solely by specified revenue sources (i.e. revenue bonds). The Town also had notes payable outstanding at year end of \$3,200.

**Bicknell Town's Long-Term Debt**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Notes Payable	-	-	3,200	5,600	3,200	5,600
Revenue Bonds	79,793	83,793	41,143	51,786	120,936	135,579
<b>Total Long-Term Debt</b>	<b>79,793</b>	<b>83,793</b>	<b>44,343</b>	<b>57,386</b>	<b>124,136</b>	<b>141,179</b>

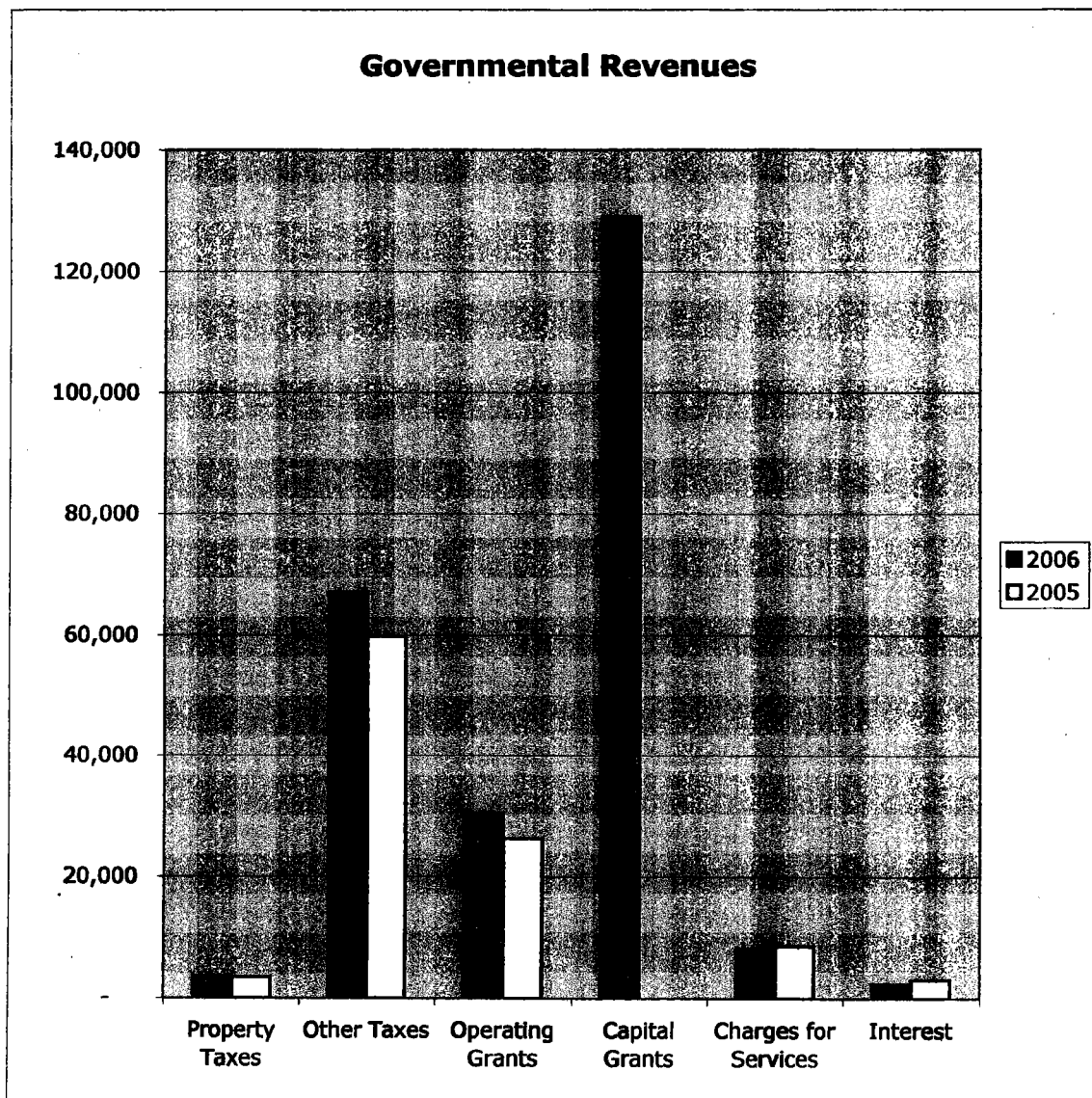
State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town. The Town has no general obligation debt. Additional information on Bicknell Town's long-term debt can be found in the notes of the financial statements.

**Request for Information**

This financial report is designed to provide a general overview of Bicknell Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bicknell Town Clerk, P.O. Box 96, Bicknell, Utah, 84715-0096.

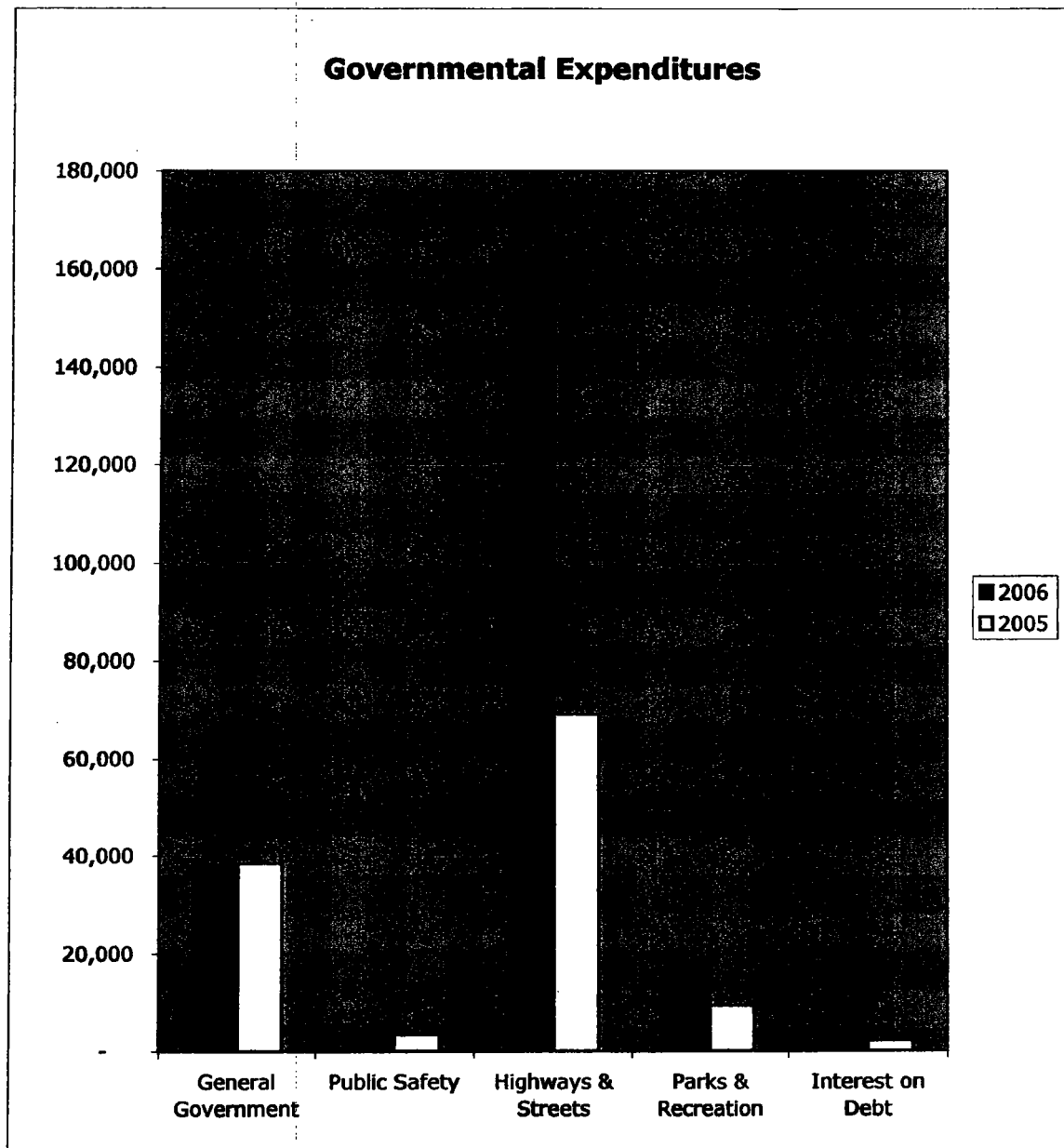
**Town of Bicknell  
Governmental Revenues  
For The Fiscal Years Ending June 30, 2006 and 2005**

	2006	2005
Property Taxes	3,631	3,398
Other Taxes	67,175	59,884
Operating Grants	30,556	26,286
Capital Grants	129,100	-
Charges for Services	8,237	8,678
Interest	2,382	3,033
<b>Total Revenues</b>	<b>241,081</b>	<b>101,279</b>



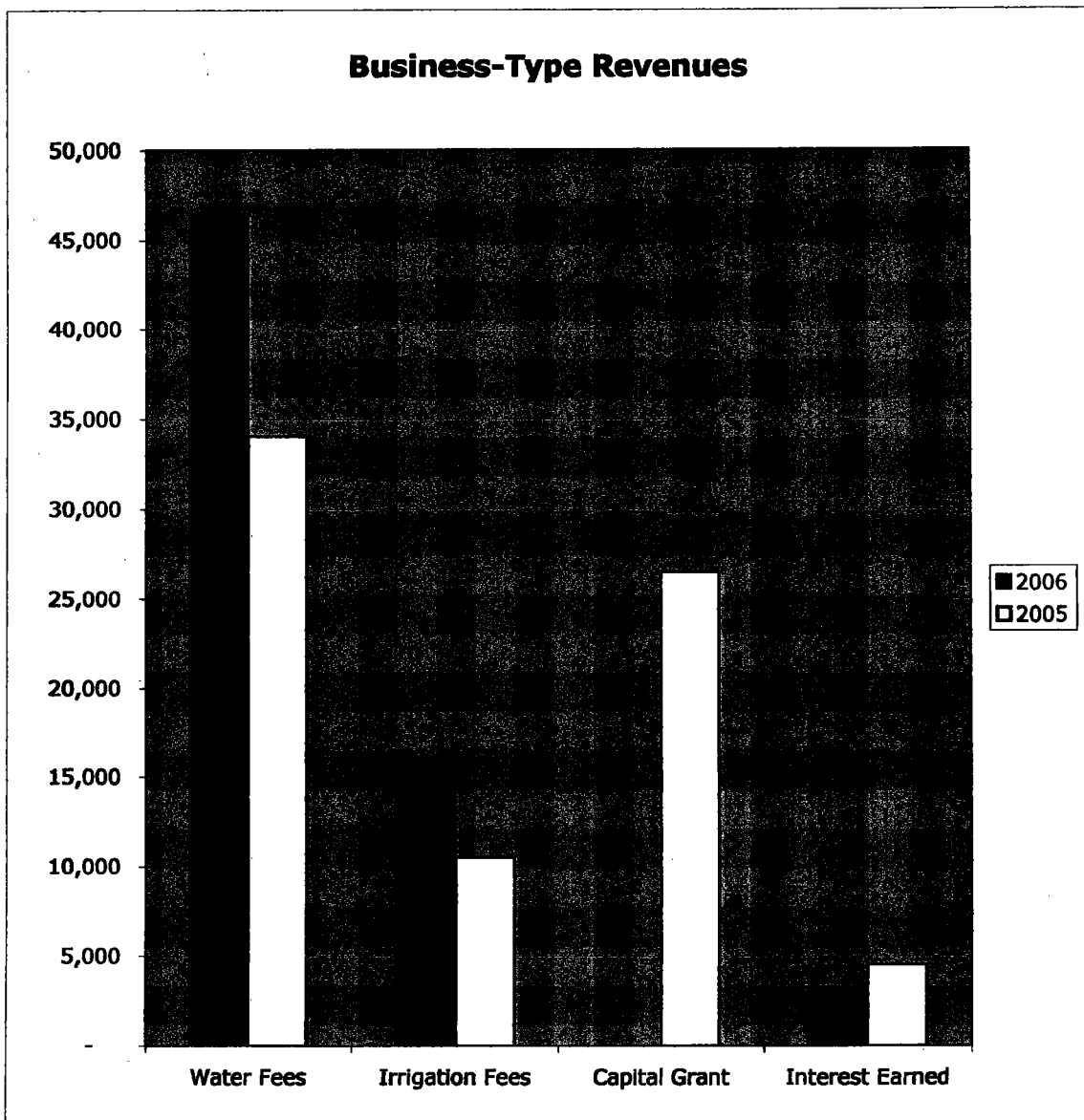
**Town of Bicknell  
Governmental Expenditures  
For The Fiscal Years Ending June 30, 2006 and 2005**

	2006	2005
General Government	38,220	38,470
Public Safety	3,646	3,455
Highways & Streets	159,045	69,174
Parks & Recreation	12,257	9,319
Interest on Debt	2,094	2,195
<b>Total Expenditures</b>	<b>215,262</b>	<b>122,613</b>



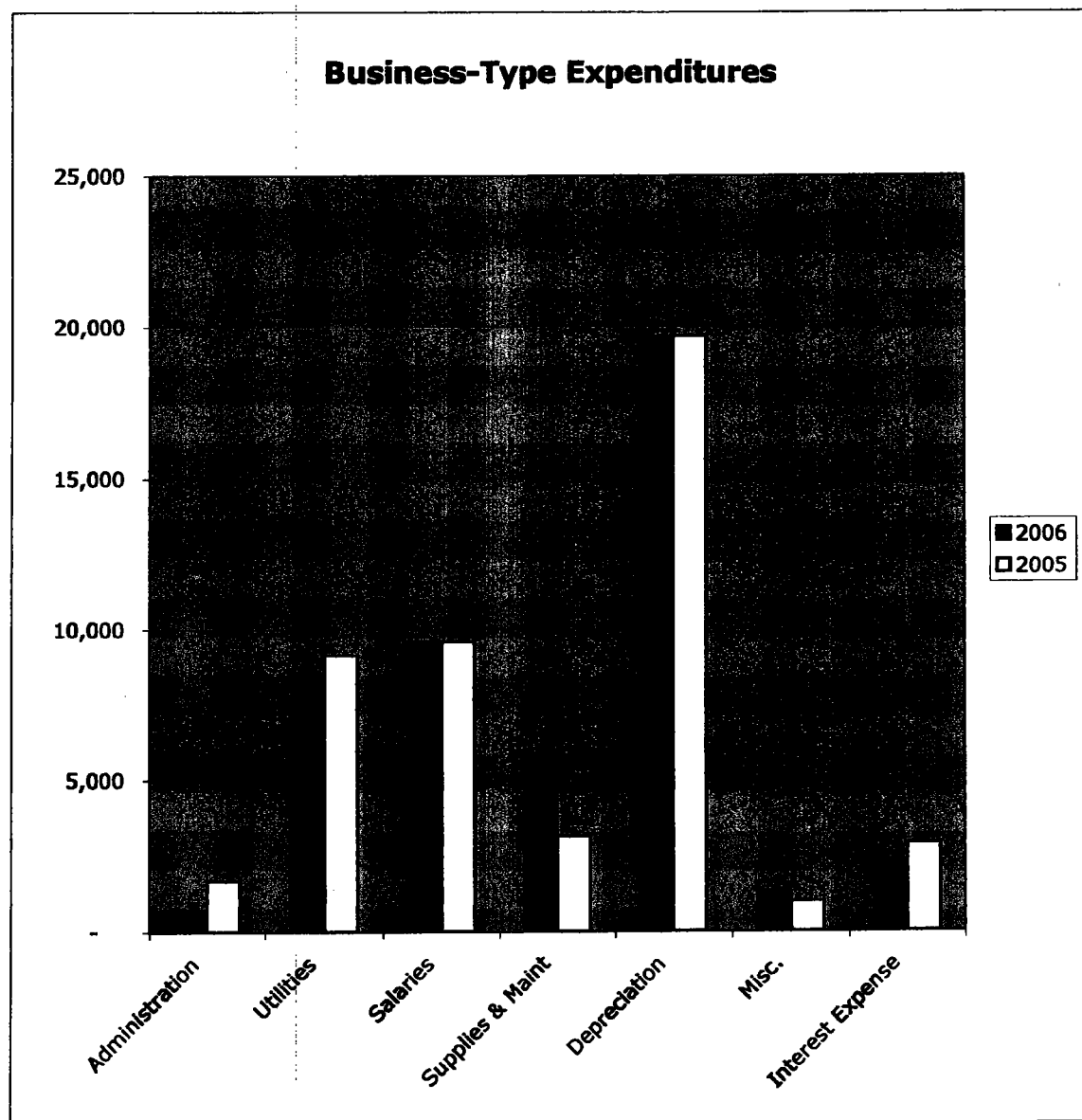
**Town of Bicknell  
Business-Type Revenues  
For The Fiscal Years Ending June 30, 2006 and 2005**

	2006	2005
Water Fees	46,470	34,056
Irrigation Fees	15,739	10,520
Capital Grant	-	26,500
Interest Earned	3,290	4,548
<b>Total Revenues</b>	<b>65,499</b>	<b>75,624</b>



**Town of Bicknell**  
**Business Type Expenditures**  
**For The Fiscal Years Ending June 30, 2006 and 2005**

	2006	2005
Administration	720	1,685
Utilities	7,505	9,161
Salaries	9,600	9,600
Supplies & Maint	4,874	3,145
Depreciation	19,689	19,689
Misc.	1,333	1,009
Interest Expense	2,365	2,912
<b>Total Expenditures</b>	<b>46,086</b>	<b>47,201</b>



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# **BASIC FINANCIAL STATEMENTS**

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**BICKNELL TOWN  
STATEMENT OF NET ASSETS**

June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	164,055	224,545	388,600
Accounts Receivable (Net)	2,752	16,812	19,564
Due From Other Government Units	6,297	-	6,297
Total Current Assets	173,104	241,357	414,461
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	13,200	13,200
Capital Assets (Net of Accumulated Depreciation):			
Land	44,530	-	44,530
Water Shares	-	3,400	3,400
Buildings	154,012	33,554	187,566
Improvements Other Than Buildings	49,350	379,397	428,747
Equipment	9,815	-	9,815
Infrastructure	186,375	-	186,375
Total Noncurrent Assets	444,082	429,551	873,633
TOTAL ASSETS	617,186	670,908	1,288,094
<b>LIABILITIES</b>			
Current Liabilities:			
Notes Payable - Due Within One Year	-	2,400	2,400
Revenue Bonds Payable - Due Within One Year	4,000	10,950	14,950
Total Current Liabilities	4,000	13,350	17,350
Noncurrent Liabilities:			
Notes Obligations - Due More Than One Year	-	800	800
Revenue Bonds Payable - Due More Than One Year	75,793	30,193	105,986
Total Noncurrent Liabilities	75,793	30,993	106,786
TOTAL LIABILITIES	79,793	44,343	124,136
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Debt	364,289	372,008	736,297
Restricted For:			
Bond Retirement	-	13,200	13,200
Class C Road	79,000	-	79,000
Unrestricted	94,104	241,357	335,461
TOTAL NET ASSETS	537,393	626,565	1,163,958
TOTAL LIABILITIES AND NET ASSETS	617,186	670,908	1,288,094

See accompanying notes and accountant's report.



**BICKNELL TOWN  
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2006

Function/Programs Primary Government:	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	38,220	5,587	-	-	(32,633)	-	(32,633)
Public Safety	3,646	-	726	-	(2,920)	-	(2,920)
Highways and Public Improvements	159,045	-	29,830	90,600	(38,615)	-	(38,615)
Culture and Recreation	12,257	2,650	-	38,500	28,893	-	28,893
Interest on Long-Term Debt	2,094	-	-	-	(2,094)	(2,365)	(4,459)
<b>Total Governmental Activities</b>	<b>215,262</b>	<b>8,237</b>	<b>30,556</b>	<b>129,100</b>	<b>(47,369)</b>	<b>(2,365)</b>	<b>(49,734)</b>
<b>Business-Type Activities:</b>							
Water Fund	30,705	46,470	-	-	-	15,765	15,765
Irrigation Fund	13,016	15,739	-	-	-	2,723	2,723
	43,721	62,209	-	-	-	18,488	18,488
<b>Total Primary Government</b>	<b>258,983</b>	<b>70,446</b>	<b>30,556</b>	<b>129,100</b>	<b>(47,369)</b>	<b>16,123</b>	<b>(31,246)</b>
<b>General Revenues:</b>							
Property Taxes					3,631	-	3,631
Fee-In-Lieu of Property Taxes					2,040	-	2,040
Sales Taxes					58,109	-	58,109
Storm Drain Assessments					7,026	-	7,026
Unrestricted Investment Earnings					2,382	3,290	5,672
<b>Total General Revenues and Transfers</b>					<b>73,188</b>	<b>3,290</b>	<b>76,478</b>
<b>Change in Net Assets</b>					<b>25,819</b>	<b>19,413</b>	<b>45,232</b>
<b>Net Assets - Beginning</b>					<b>511,574</b>	<b>607,152</b>	<b>1,118,726</b>
<b>Net Assets - Ending</b>					<b>537,393</b>	<b>626,565</b>	<b>1,163,958</b>

See accompanying notes and accountant's report.

**BICKNELL TOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2006**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	164,055
Accounts Receivable (Net)	2,752
Due From Other Government Units	<u>6,297</u>
<b>TOTAL ASSETS</b>	<u><u>173,104</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	<u>-</u>
Fund Balances:	
Reserved For:	
Class "C" Road	79,000
Unreserved, Reported In:	
General Fund	<u>94,104</u>
<b>Total Fund Balance</b>	<u><u>173,104</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>173,104</u></u>

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**June 30, 2006**

Total Fund Balances - Governmental Fund Types	173,104
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	44,530
Buildings	154,012
Improvements	49,350
Equipment	9,815
Infrastructure	<u>186,375</u>

Total (Net of Depreciation)	444,082
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Wastewater Assessment Bond	<u>(79,793)</u>
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Net Assets of Government Activities	<u><u>537,393</u></u>
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**BICKNELL TOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2006

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes	63,780
Licenses and Permits	3,548
Intergovernmental Revenue	159,656
Charges for Services	9,676
Interest	2,382
Miscellaneous Revenues	<u>2,039</u>
Total Revenues	<u>241,081</u>
<b>Expenditures:</b>	
Current:	
General Government	36,564
Public Safety	1,182
Highways and Public Improvements	130,905
Culture and Recreation	7,440
Capital Outlay	43,000
Debt Service:	
Principal	4,000
Interest	<u>2,094</u>
Total Expenditures	<u>225,185</u>
Net Change In Fund Balance	15,896
Fund Balance - Beginning	<u>157,208</u>
Fund Balance - Ending	<u><u>173,104</u></u>

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2006**

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	15,896
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	43,000	
Depreciation	<u>(37,077)</u>	
Total		5,923

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment on Bonds	<u>4,000</u>
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Changes In Net Assets of Governmental Activities	<u><u>25,819</u></u>
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**BICKNELL TOWN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND**

June 30, 2006

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	206,710	17,835	224,545
Accounts Receivable	<u>10,248</u>	<u>6,564</u>	<u>16,812</u>
Total Current Assets	<u>216,958</u>	<u>24,399</u>	<u>241,357</u>
Noncurrent Assets:			
Investments - Restricted:			
Bond Retirement	13,200	-	13,200
Capital Assets: (Net of Accumulated Depreciation)			
Water Stock	1,000	2,400	3,400
Buildings	33,554	-	33,554
Improvements Other Than Buildings	<u>358,380</u>	<u>21,017</u>	<u>379,397</u>
Total Noncurrent Assets	<u>406,134</u>	<u>23,417</u>	<u>429,551</u>
TOTAL ASSETS	<u><u>623,092</u></u>	<u><u>47,816</u></u>	<u><u>670,908</u></u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Bonds - Due Within One Year	10,950	2,400	13,350
Noncurrent Liabilities:			
Bonds - Due More Than One Year	<u>30,193</u>	<u>800</u>	<u>30,993</u>
TOTAL LIABILITIES	<u>41,143</u>	<u>3,200</u>	<u>44,343</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	351,791	20,217	372,008
Restricted for Bonded Retirement	13,200	-	13,200
Unrestricted	<u>216,958</u>	<u>24,399</u>	<u>241,357</u>
TOTAL NET ASSETS	<u>581,949</u>	<u>44,616</u>	<u>626,565</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>623,092</u></u>	<u><u>47,816</u></u>	<u><u>670,908</u></u>

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**

June 30, 2006

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>Operating Revenues:</b>			
Charges for Sales and Services:			
Water Fees	46,470	-	46,470
Irrigation Fees	-	15,739	15,739
Total Operating Revenues	46,470	15,739	62,209
<b>Operating Expenses:</b>			
Administration	720	-	720
Utilities	1,928	5,577	7,505
Salaries	7,200	2,400	9,600
Equipment Maintenance	1,074	3,800	4,874
Depreciation	18,775	914	19,689
Miscellaneous	1,008	325	1,333
Total Operating Expenses	30,705	13,016	43,721
Operating Income	15,765	2,723	18,488
<b>Nonoperating Revenues (Expenses):</b>			
Investment Earnings	3,006	284	3,290
Interest Expense	(2,365)	-	(2,365)
Total Nonoperating Revenues (Expenses)	641	284	925
Change in Net Assets	16,406	3,007	19,413
Total Net Assets - Beginning	565,543	41,609	607,152
Total Net Assets - Ending	581,949	44,616	626,565

See accompanying notes and accountant's report.

**BICKNELL TOWN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

June 30, 2006

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>Cash Flows From Operating Activities:</b>			
Receipts From Customers	45,299	15,609	60,908
Payments to Suppliers	(4,730)	(9,702)	(14,432)
Payments to Employees	(7,200)	(2,400)	(9,600)
Net Cash Provided by Operating Activities	<u>33,369</u>	<u>3,507</u>	<u>36,876</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Principal Paid on Long-Term Debt	(10,643)	-	(10,643)
Interest Paid on Long-Term Debt	(2,365)	-	(2,365)
Principal Payment on Notes Payable	-	(2,400)	(2,400)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(13,008)</u>	<u>(2,400)</u>	<u>(15,408)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest Received	<u>3,006</u>	<u>284</u>	<u>3,290</u>
Net Cash Provided (Used) by Investing Activities	<u>3,006</u>	<u>284</u>	<u>3,290</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,367	1,391	24,758
Cash and Cash Equivalents - Beginning	<u>196,543</u>	<u>16,444</u>	<u>212,987</u>
Cash and Cash Equivalents - Ending	<u><u>219,910</u></u>	<u><u>17,835</u></u>	<u><u>237,745</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:</b>			
Operating Income	<u>15,765</u>	<u>2,723</u>	<u>18,488</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:			
Depreciation	18,775	914	19,689
Increase (Decrease) in Operating Assets:			
Accounts Receivable	<u>(1,171)</u>	<u>(130)</u>	<u>(1,301)</u>
Total Adjustments	<u>17,604</u>	<u>784</u>	<u>18,388</u>
Net Cash Provided (Used) by Operating Activities	<u><u>33,369</u></u>	<u><u>3,507</u></u>	<u><u>36,876</u></u>

See accompanying notes and accountant's report.



**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2006**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Bicknell Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2006.

The following is a summary of the more significant policies:

**A. Reporting Entity**

Bicknell Town is a municipal corporation in Wayne County, Utah. It is governed by an elected Mayor and a four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, the Town of Bicknell, the reporting entity. The Town has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**  
**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town of Bicknell considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Government reports the following Proprietary Funds:

The Utility Funds accounts for the activities of the City water and irrigation operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and irrigation funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water and Irrigation System	40 Years
Buildings	30 Years
Equipment	5 - 7 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes**

Property taxes are assessed and collected for the Town by Wayne County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Board on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Board at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Some Towns find themselves with a deficit fund balance in one or more of their funds. The State Auditor has taken the position that a deficit, created by expenditures being made in excess of those budgeted, is an illegally created debit in violation of the Utah Constitution, Section XIV(3). As such, the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. Maximum in the general funds may not exceed 75% of the total estimated revenue of the general fund.

Once adopted, the budget may be amended by the Town council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The Town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

At year-end, the carrying amount and bank balance of the Town's deposits was \$39,037 and \$41,100 respectively. All of the bank balance was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and investments as of June 30, 2006, consist of the following:

	<u>Fair Value</u>
Demand Deposits	39,037
Investments - PTIF	<u>362,763</u>
Total Cash and Investments	<u><u>401,800</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	164,055
Business-Type Activities - Unrestricted	224,545
Business-Type Activities - Restricted	<u>13,200</u>
Total Cash and Cash Equivalents	<u><u>401,800</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2006, \$0 of the local government's bank balances of \$41,100 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended June 30, 2006, the local governments has investments of \$362,763 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**NOTE 3 - BOND RESERVES**

The Town's two bond issues have reserve requirements which the Town must meet. The 1979 bond requires \$700.80 per year for 10 years. The 1993 bond requires \$343.23 per year for 10 years. The amount reserved at June 30, 2006, is \$13,200, which is in excess of the required funding.

**NOTE 4 - WATER SHARES**

The Utility Fund has water shares which are shown on the balance sheet at a cost of \$3,400.00. The current value of the water shares is in excess of the cost.



**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 5 - CAPITAL ASSETS:**

Capital assets activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	21,250	-	-	21,250
Infrastructure	23,280	-	-	23,280
 Total Capital Assets Not Being Depreciated	 44,530	 -	 -	 44,530
Capital Assets Being Depreciated:				
Buildings	201,062	-	-	201,062
Improvements Other Than Bldgs	20,000	43,000	-	63,000
Machinery and Equipment	62,750	-	-	62,750
Infrastructure	532,500	-	-	532,500
 Total Capital Assets Being Depreciated	 816,312	 43,000	 -	 859,312
Less Accumulated Depreciation For:				
Buildings	42,023	5,027	-	47,050
Improvements Other Than Bldgs	11,000	2,650	-	13,650
Machinery and Equipment	50,160	2,775	-	52,935
Infrastructure	319,500	26,625	-	346,125
 Total Accum. Depreciation	 422,683	 37,077	 -	 459,760
 Total Capital Assets Being Depreciated (Net)	 393,629	 5,923	 -	 399,552
 Governmental Activities Capital Assets, Net	 438,159	 5,923	 -	 444,082

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Water Stock	<u>3,400</u>	<u>-</u>	<u>-</u>	<u>3,400</u>
Total Capital Assets Not Being Depreciated	<u>3,400</u>	<u>-</u>	<u>-</u>	<u>3,400</u>
Capital Assets Being Depreciated:				
Equipment	16,480	-	-	16,480
Buildings	35,954	-	-	35,954
Utility Systems	<u>739,555</u>	<u>-</u>	<u>-</u>	<u>739,555</u>
Total Capital Assets Being Depreciated	<u>791,989</u>	<u>-</u>	<u>-</u>	<u>791,989</u>
Less Accumulated Depreciation For:				
Equipment	16,480	-	-	16,480
Buildings	1,200	1,200	-	2,400
Utility Systems	<u>341,669</u>	<u>18,489</u>	<u>-</u>	<u>360,158</u>
Total Accum. Depreciation	<u>359,349</u>	<u>19,689</u>	<u>-</u>	<u>379,038</u>
Total Capital Assets Being Depreciated (Net)	<u>432,640</u>	<u>(19,689)</u>	<u>-</u>	<u>412,951</u>
Business Type Activities Capital Assets, Net	<u>436,040</u>	<u>(19,689)</u>	<u>-</u>	<u>416,351</u>
Total Capital Assets	<u><u>874,199</u></u>	<u><u>(13,766)</u></u>	<u><u>-</u></u>	<u><u>860,433</u></u>

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities	Business Type Activities	Total
General Government	1,656	-	1,656
Public Safety	2,464	-	2,464
Public Health	-	19,689	19,689
Highways and Public Improvements	28,140	-	28,140
Culture and Recreation	4,817	-	4,817
	<u>37,077</u>	<u>19,689</u>	<u>56,766</u>
Total Depreciation Expense			

**NOTE 6 - LONG-TERM DEBT**

Governmental Long-Term Debt

**1995 CIB Revenue Bond:**

In April of 1995, Bicknell Town obtained a grant from the CIB for \$269,000 and issued a Wastewater Assessment Bond, Series 1995, in the amount of \$120,000 for the purpose of constructing a flood and drainage system for the Town. Terms of the assessment bond require yearly payments over 25 years including interest at 2.5 percent. Amortization schedule is as follows:

<u>October 1st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4,000	2,000	6,000
2007	5,000	1,900	6,900
2008	5,000	1,775	6,775
2009	5,000	1,650	6,650
2010	5,000	1,525	6,525
2011/2015	26,000	5,750	31,750
2016/2020	29,793	2,250	32,043
	<u>79,793</u>	<u>16,850</u>	<u>96,643</u>

The following is a schedule of changes in governmental long-term debt at June 30, 2006:

	Balance June 30, 2005	Issued	Matured	Balance June 30, 2006
Revenue Bonds Payable	<u>83,793</u>	<u>-</u>	<u>4,000</u>	<u>79,793</u>

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Utility Long-Term Debt:**

**Water Revenue Bond - 1979:**

Water Revenue Bond, dated 1979, is to be paid from water revenues. The monthly payment is \$584.00. The bond carries an interest rate of 5%. The balance at June 30, 2006, was \$41,143.

The following is a summary of water revenue bond payable to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	10,950	2,058	13,008
2008	11,500	1,508	13,008
2009	12,000	1,008	13,008
2010	6,693	167	6,860
	<u>41,143</u>	<u>4,741</u>	<u>45,884</u>
Total			

**Water Revenue Bond - 1992:**

Water Revenue Bond, dated 1992, is to be paid from water revenues. The required monthly payment is \$286.00. However, the Town is paying \$500.00 per month. The bond carries an rate of 5.5%. The bond was paid in full at June 30, 2006.

**Note Payable:**

On April 8, 1988 the Town of Bicknell arranged for the financing of an irrigation system in the Town by obtaining a loan from the Utah Board of Water Resources. This loan was arranged through the Fremont Irrigation Company. The loan is an interest free loan with yearly payments of \$2,400.00 which began on December 1, 1989. The amount of the loan at June 30, 2006, was \$3,200.

The following is a summary of note payable to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	2,400	-	2,400
2008	800	-	800
	<u>3,200</u>	<u>-</u>	<u>3,200</u>
Total			

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 6 - LONG-TERM DEBT - UTILITY FUND**

The following is a schedule of changes in long-term debt for the Utility Fund at June 30, 2006:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 2005	Current Year Changes		Outstanding June 30, 2006
					Issued	Matured	
Bonds Payable:							
FHA Water Revenue Bonds	1979	5.00%	120,000	48,913	-	7,770	41,143
FHA Water Revenue Bonds	1992	5.50%	55,500	2,873	-	2,873	-
Note Payable:							
Board of Water Resources	1995	0.00%	44,000	5,600	-	2,400	3,200
Total			219,500	57,386	-	13,043	44,343

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2006

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

The following is a summary of utility long-term debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006/2007	13,350	2,058	15,408
2007/2008	12,300	1,508	13,808
2008/2009	12,000	1,008	13,008
2009/2010	<u>6,693</u>	<u>167</u>	<u>6,860</u>
	<u>44,343</u>	<u>4,741</u>	<u>49,084</u>

**NOTE 7 - CLASS C ROADS**

Bicknell Town receives Class C road money from the State of Utah for road construction and maintenance. The unexpended portion of this money is shown as a reserved fund balance in the financial statements. The following a schedule of changes in Class C Roads:

Fund Balance - Beginning of Year	73,000
Receipts:	
State Allotments	29,830
Interest	<u>3,655</u>
Total Receipts	33,485
Disbursements:	
Materials	24,871
Maintenance	1,375
Fuel	803
Other	<u>436</u>
Total Disbursements	<u>27,485</u>
Fund Balance - End of Year	<u>79,000</u>

**NOTE 8 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in the Utah Local Government Trust Insurance, a self-funded risk financing pool administered by the Utah Local Government Trust. Through the Trust, the Town maintains general liability, errors and omissions, flood, newly acquired property, builders risk, unscheduled locations, and crime.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2006**

**NOTE 8 - RISK MANAGEMENT (CONTINUED)**

The Town is insured for comprehensive general liability and automobile liability for \$2,000,000 combined single limit per occurrence and \$2,000,000 aggregate for each policy period. The Town has a \$250 deductible for each occurrence for general liability and automobile liability, bodily injury and property damage. The coverage on the buildings and personal property is subject to a \$1,000 deductible per occurrence. The coverage's are updated annually according to property surveys supplied by the Town to the insurance company.

The Trust does not provide coverage for all risks and hazards, however, the Town has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

Claims have not exceeded coverage in any of the last three calendar years.

**NOTE 9 - STATE RETIREMENT PLANS**

**Local Governmental - Cost Sharing:**

**Plan Description:**

Bicknell Town contributes to the Local Governmental Noncontributory Retirement System which is a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). The System provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the Utah Retirement Systems and plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Bicknell Town is required to contribute a percent of covered salary to the following system; 11.09% to the Noncontributory System. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Bicknell Town contributions to the various systems for the years ending June 30, 2006, 2005 and 2004 respectively were; for the Noncontributory System, \$2,674.92, \$2,595.12 and \$2,251.08. The contributions were equal to the required contributions for each year.

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is used to assist in formatting, for easier reading)



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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**BICKNELL TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2005	<u>157,208</u>	<u>157,208</u>	<u>157,208</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	3,200	3,200	3,631	431
General Sales and Use Taxes	45,000	45,000	58,109	13,109
Fee-In-Lieu	<u>1,800</u>	<u>1,800</u>	<u>2,040</u>	<u>240</u>
Total Taxes	<u>50,000</u>	<u>50,000</u>	<u>63,780</u>	<u>13,780</u>
Licenses and Permits	<u>4,500</u>	<u>4,500</u>	<u>3,548</u>	<u>(952)</u>
Intergovernmental Revenue:				
Class C Road	29,000	29,000	29,830	830
State Liquor Allotment	850	850	726	(124)
State Grants	<u>129,100</u>	<u>129,100</u>	<u>129,100</u>	<u>-</u>
Total Intergovernmental Revenue	<u>158,950</u>	<u>158,950</u>	<u>159,656</u>	<u>706</u>
Charges for Services:				
Cemetery	1,800	1,800	2,650	850
Storm Drain Assessment	<u>6,600</u>	<u>6,600</u>	<u>7,026</u>	<u>426</u>
Total Charges for Services	<u>8,400</u>	<u>8,400</u>	<u>9,676</u>	<u>1,276</u>
Miscellaneous Revenue:				
Interest	3,200	3,200	2,382	(818)
Rents and Concessions	1,200	1,200	1,300	100
Miscellaneous	1,000	1,000	739	(261)
Use of Fund Balance	<u>11,850</u>	<u>11,850</u>	<u>-</u>	<u>(11,850)</u>
Total Miscellaneous Revenue	<u>17,250</u>	<u>17,250</u>	<u>4,421</u>	<u>(12,829)</u>
Amounts Available for Appropriation	<u>396,308</u>	<u>396,308</u>	<u>398,289</u>	<u>1,981</u>

Continued

**BICKNELL TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
General Government:				
Administration	23,500	24,140	23,919	221
Professional Services	4,300	4,300	4,099	201
Elections	700	790	790	-
Total General Government	28,500	29,230	28,808	422
Public Safety:				
Fire Department	1,100	1,185	1,182	3
Highway and Public Improvements:				
Class C Roads	33,000	33,000	27,485	5,515
Repairs and Maintenance	100,400	100,400	99,134	1,266
Street Lights	4,400	4,400	4,286	114
Total Highways and Public Improvements	137,800	137,800	130,905	6,895
Culture and Recreation:				
Cemetery	4,000	4,000	3,805	195
Parks	46,500	46,635	46,635	-
Total Culture and Recreation	50,500	50,635	50,440	195
Nondepartmental:				
Insurance	5,000	5,000	5,043	(43)
Capital Outlay	7,000	6,050	-	6,050
Miscellaneous	3,000	3,000	2,713	287
Total Nondepartmental	15,000	14,050	7,756	6,294
Debt Service:				
Bond Payment	6,200	6,200	6,094	106
Total Charges to Appropriations	239,100	239,100	225,185	13,915
Budgetary Fund Balance - June 30, 2006	157,208	157,208	173,104	15,896

**BICKNELL TOWN  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Fiscal Year Ended June 30, 2006**

	<u>General Fund</u>
<b>Sources/Inflows and Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	398,289
<b>Differences - Budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(157,208)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>241,081</u></u>
<b>Uses/Outflows of Resources:</b>	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	225,185
<b>Differences - Budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>225,185</u></u>